G. R. S. IX-5]

Previous references.

File No. 22-30

Serial Nos. 1

GJ 237-27-1-2 1930-31
GJ 235-26-1-2

Later references.

G.J. 183-335 Hos
GJ 204-36 C 1-2
H.H. 35
265
GJ 226-37 (1)
G.J. 102. 260 (H) 2

GENERAL AND REVENUE SECRETARIAT.

GF 30-47 (28,26)

P.H.S. (F)

Serial Nos. 1

Part B for Aug 1930.

SUBJECT.

Revised Rules regulating grant of the H B & H P. Advances

No. Fl 849-2089 1.8.30.
To the Comptroller
Hdqrs Dept.
All Collectors & District
Secretaries to Govt.
Compilers
Hdqrs

General and Revenue Secretariat 97 File No. 22 of 193 0.

Serial No.

GEN. & REV. SECT. 5-763/30
28 JUN 1930
FINANCIAL BRANCH

I say

Re House-building advances.

It is necessary, in my opinion that

(1) a limit should be fixed on the Budget grant under this head (Rs 2/- lcs do, Mch.)

(2) the rate of interest charged for the loan should be higher than it is at present - Mr Mack says 6 p.c. ob wch to much

28-6-30

W/s. Fin

Please look up the P.L. re the Calcutta Corpn. Act which authorises the W.B. advances - with a note thereon.

~~Draft amendment note.~~

28/6/30

Note—Contn. Sheet

A.V. 28/6

WD 0

P.T.

General and Revenue Secretariat.

File No. of 192

Serial No. 3

At present advances are being allowed both by H.B. & H. P. under cover of f.o. dated 28th July '26.

In the case of Officers on pay less than Rs 250/-, this grant is subject to a limit of 2 years pay, interest being levied at 6% upon the excess over the 2 years pay sanctioned to them.

As regards Officers on pay above Rs 250/- advances of 18 months' pay are being granted and interest levied at 5% per annum on the whole advance. Since the rules were fixed, the condition of the money market have changed, the rate of the Imperial Bank being 6% for the past several years and the condition of our finances necessitating borrowing at a higher rate than 5% would appear to indicate that some alteration in the conditions would be necessary. In view of the straitened money position in our treasuries, it would perhaps be well if the total outgoings each year are restricted to 2 lakhs and as Govt have to raise money at a higher rate of interest than 5%, perhaps levying in the case of interest uniformly at 6% on the whole advance irrespective of the limits of pay, the lower rate of 5% being levied in the case of those on lower rates of pay than Rs 1000, as their economic condition under at present is such as to necessitate some consideration. Whether grant of 2 years' pay should be allowed in the case of Officers on pay

NOTE—Contn. Sheet.

WD 01714—GPB—30,000—18-4-28.

H/S Dr

Please expedite the note

required H/S adam

Yr -

only

Immediate

Ad 27.7.20

The Secretary of the Cemetery Office, has personally written to say

General and Revenue Secretariat. | File No. of 192

Serial No.

between Rs 1000/- & Rs 250/- is also for consideration
In view of the restricted grant, it may perhaps
be advisable to indicate roughly the amount
that will be made available each year under
the two classes and funds sanctioned accordingly
Whether in the case of Officers drawing more than
Rs 250/-, the rate of interest charged should be
higher, say 7%, is also for consideration as
in the case of 2nd ~~instalment~~ advance of motor
car advance.

A.S.V.
28.6.30.

H.Secy)

I Please put up figures under the following heads from 1925-26.

Year	amount advanced.		
25-26	To Officers on		
26-27	Pay of Rs 250 & above	Under Rs 250	Total.
27-28			
28-29			
29-30			

extract sent to Comptroller for compliance. 30/6/30

II Rules now in force in Bor India.

III Revised rules if ruling under advance in Mysore — 2-8/6/30.

IV Discussion in the L.C (extract, notes of proceedings 28/6/30) N.

(H.T.)

NOTE—Contn. Sheet.

WD 01714—GPB—30,000—16-4-28

General and Revenue Secretariat. | File No. | of 192

Serial No.

R — A Statement obtained from the Comptr's. office giving information called for in para 5 (1) is submtd.

A copy of the Madras Financial and Account Code Containing Rules relating to Br. India, is submtd as called for in (2).

(Pages 126 & 127)

P.Q. — 2 Printed Copies of Govt. of July 1926 and April 1927 containing revised Rules relating to motor advances are submitted.

Re discussion in L.C. about M.B. advances, the extract called for from R. A. Section has not been received in spite of reminders. It will be obtained and submitted to Govt. A typed copy

G — Advance bills — Since received is placed on the file —

3/7/1930.

A.G. 3.7.30

Secy.

640
4/7/30

Serial No.

P

Q

Dewan's minute dated 28th June 1930 about the revision of the rules regarding the House Building Advances.

Prior to the year 1927-28 the total expenditure in the grant of house building advances to Government servants amounted to about Rs 3/4th lakh. On the representation of officials of the General and Revenue Secretariat for the grant of improved facilities for house building, in view of the high cost of materials and wages, the question was considered in Council in April 1927 and sanction was accorded to the enhancement of the maximum limit of house building advances up to 2 years' pay to officials residing in the Cities of -- Bangalore and Mysore and wishing to build houses in the extensions.

The rules were further liberalised in an order of 28th July 1928 which permitted the grant of advances for purchase of house as for house building.

According to the orders now in force, "Advances up to one year's pay are admissible to all officers of Government for building or purchasing houses for their residence in all places in the State where no suitable houses are available or where house rent is exceptionally high, subject to the following conditions:-

(i) The advance will be free of interest in the case of officers on pay less than Rs 250/-

(ii) Interest will be charged at 5 per cent per annum and the advance will be limited to a maximum of Rs 10,000 in the case of officers on higher pay.

(iii) In all cases, the advance will be adjusted by monthly deduction of one-quarter pay besides interest on the amount and the repayment will be completed within four years

WD 6120—GPB—500—2-5-30

Serial No.

(2) " Advances up to two years' pay may be given to officers drawing a pay of less than Rs 250/- residing in the Cities of Bangalore, Mysore or in Yedatore and wishing to build or purchase houses in the extensions of the Cities or in the New Town of Yedatore respectively subject to the following conditions:-

(i) The maximum amount admissible will be limited to Rs 5,000/-,

(ii) The excess over one year's pay will carry interest at 4 per cent per annum.

(iii) The entire advance will be repaid within a maximum period of eight years by monthly deduction of one-fourth of pay towards principal, besides interest.

(3) " Advances up to 18 months' pay may be allowed to officers drawing a pay of Rs 250/- and above but not exceeding Rs 500, residing in the Cities of Bangalore and Mysore or in Yedatore and wishing to build or purchase houses in the extensions of the Cities or in the New Town of Yedatore. The entire advance will carry interest at 5 per cent per annum and be repayable in six years

In view of this liberalisation of the rules the total amount of advances is increasing during the last 3 years and the outlay in 1929-30 is expected to exceed Rs 4 lakhs

From the statement furnished by the Comptroller it will be seen that the bulk of the increase appears in the amounts drawn by officials on a pay of less than Rs 250/-

In the course of the discussion in the Legislative Council on the voting of the additional grants, the Dewan observed that the questio

R

WD 3120—GPB—500—2-5-30

Serial No.

question of revising the rules for the grant of house building advances would be re-examined with a view to impose a limit on the budget grant under this head and also to enhance the rate of interest charged on the advances.

In the present conditions of the money market it is necessary that the cash resources should be conserved and some modifications made in the rules for the grant of house building advances so as to limit the drawings from the Treasury.

The following proposals may be considered:

(i) Interest on advances granted to officers on pay of Rs 250/- and above may be raised from 5 to 6 per cent per annum.

(ii) In the case of officers on pay of less than Rs 250/- interest on the amount advanced in excess of one year's pay may be raised from 4 to 5 per cent per annum.

(iii) The higher limit of advances permissable in the Cities of Bangalore and Mysore or in Yedatore (viz., 24 months' pay in the case of officials on pay of less than Rs 250/- or 18 months' pay in the case of officers on pay of Rs 250 to 500) may be limited to house building only.

The special encouragement afforded to those who wish to build houses need not be extended to cases of purchasing the existing houses.

It does not appear to be necessary to permit the grant of more than 12 months' pay for purchase of houses in any case in future.

In British India this is the limit up to which advances are allowed for house

WD 3120—GPB—500—2-5-30

Serial No.

house purchasing and they are subject to payment of interest at 5 per cent per annum.

(iv) The annual grant for this advance may be fixed at Rs 2 lakhs. In the current year's budget a grant of Rs 3 lakhs has been provided allowing some amount to meet the outstanding sanctions, say, about a lakh. The balance will be the extent up to which applications arising during the course of the year might be sanctioned.

The rules with the modification above suggested will stand revised as follows:

(1) Advances up to one year's pay are admissible to all officers of Government for building or purchasing houses for their residence in all places in the State where no suitable houses are available or where house rent is exceptionally high subject to the following conditions:-

(i) The advance will be free of interest in the case of officers on pay less than Rs 250/-

(ii) Interest will be charged at 6 per cent per annum and the advance will be limited to a maximum of Rs 10,000 in the case of officers on higher pay.

(iii) In all cases, the advance will be adjusted by monthly deduction of one-quarter pay besides interest on the amount and the repayment will be completed

WD 3120—GPB—500—2-5-30

Serial No.

completed within four years.

(2) Advances up to two years' pay may be given to officers drawing a pay of less than Rs 250/- residing in the Cities of Bangalore, Mysore, or in Yedatore and wishing to build houses in the extensions of the Cities or in the New Town of Yedatore respectively subject to the following conditions:-

(i) The maximum amount admissible will be limited to Rs 5,000.

(ii) The excess over one year's pay will carrary interest at 5 per cent per annum.

(iii) The entire advance will be repaid within the maximum period of eight years by monthly deduction of one-fourth of pay towards principal. besides interest.

(3) Advances up to 18 months' pay may be allowed to officers drawing a pay of Rs 250 and above but not exceeding Rs 500/-, residing in the Cities of Bangalore and Mysore or in Yedatore and wishing to build houses in the extensions of the Cities or in the New Town of Yedatore . The entire advance will carry interest at 6 per cent per annum and be repayable in six years.

(4) The annual budget grant for advances for building ~~or~~ and purchasing houses will be fixed at Rs 2 lakhs for the next 3 years.

In this connection I beg to suggest that the interest on first advances for purchase of Motor Cars may also be raised from 5 to 6 per-cent. Interest is charged at 7 per cent on succeed-ing

I put it to Secretary

WD 3120—GPB—500—2-5-30

OFFICE OF THE FIRST MEMBER COUNCIL
5 JULY 1930
No. 123

DEWAN'S OFFICE
105
7 - JUL. 1930

FINANCIAL SECRETARY
7 JULY
No.

Serial No.

succeeding advances and this rate may remain unchanged

FIRST MEMBER
DEWAN.

4.7.30
AG

I think the Modifications Suggested are Suitable. The limitation of annual grant to 2 lakhs need not be Mentioned in the rules. It is sufficient to keep the limit in View in framing the annual estimates and in Sanctioning advances.

6.7.30

May be disposed of by Circulation

8.7.30

757
8/7

To Chief Secy with Compliments

8.7.30
AG

C.S
nil
10/7

DEWAN'S OFFICE
21. JUL. 1930
225

Deb to Dewan

nil
21/7

22-7-30

WD 3120—GPB—500—25-30

For Disposal by Circulation.)

No. C. 7

of 1930-31

GENERAL AND REVENUE SECRETARIAT.

Council Matter.

SUBJECT.

Revision of the rules regarding the grant of advances to Government servants for building and purchasing houses.

CIRCULATED TO THE MEMBERS OF COUNCIL.

By Order,

Chief Secretary to Government.

10th July 1930.

~~Co-ordinating Member of Council~~

First Member of Council. (Opn recorded)

Second Member of Council. 14/7

Third Member of Council. 15.7.30 For favour of final note,

First Member.

Signed F.N. 22/7

5-763/X

C7

App. F. III—2]

General and Revenue Secretariat | File No. of 193

Serial No.

Subject:-

Revision of the Rules regarding the grant of advances to Government servants for building and for purchasing houses.

DEWAN'S OFFICE
26. JUL. 1930
899

If approved, orders will issue in anticipation of H. H.'s approval

Mu
Dewan) 28/7

Yes
26-7-

Do. Issue with Compts.

Mu
28/7

Please put up a draft order
Now only where effect has
1st August 1930

L
28.7.30.

1698
29/7

Dr. G.O. re H.B advances is submitted. D/L 29
Car advances separately dealt
30.7.30. Draft order re H.B is put up for
consideration
31.7.30
Hedley
31.7.30

OFFICE OF THE FIRST MEMBER ... COUNCIL
1 AUG. 1930
No. 293. Note—Contn. Sheet

WD 02328—GPB—10,000—22-4-30

Mu
1930
1st member
31-7-30

Serial No.

1.8.30

printed copies need to day put up in the file.
9/5/8/30.

To the Comptr, Heads of Depts, Dcs. of Dists. Secretaries Asst. & Compiler, Jaya. Gazette
G.O. No. 7L. 849-908 B/1.8.30.
Sanctions revised Rules regulating H.B. or H.P. advance.

may be recorded

Yes.

16.8.30

Note—Contn. Sheet

Submitted to His Highness.

I submit herewith a Final Note by the First Member of Council on the subject of the revision of rules for the grant of advances to Government servants for building and for purchasing houses, for His Highness' gracious approval.

Mirza M. Ismail

Dewan.

26-7-30

Final Note by the First Member of Council.

Subject:—

Revision of the Rules regarding the grant of advances to Government servants for building and for purchasing houses.

With His Highness' sanction, the rules regarding the grant of House-building Advances were liberalised in 1927 with a view to enable the low paid officials living in Bangalore and Mysore Cities to build houses in the Extensions. These rules were further improved in 1928 by doing away with the distinction between House building and House Purchase advances.

2. As the result of these concessions, the total amount of advances for this purpose has been increasing in the last three years and the sum lent in 1929-30 is expected to exceed Rs 4 lakhs. At the last session of the Legislative Council some of the non-official members urged the desirability of placing a limit on the amount advanced annually for this purpose and of raising the rate of interest charged on the sums lent. This view is reasonable and it was accordingly stated that the existing rules would be examined with a view to their revision in the direction indicated.

3. The Financial Secretary has suggested the following modifications:-

(1) Interest on advances granted to officers on pay of Rs 250 and above may be raised from 5 to 6 per cent. per annum.

(2) In the case of officers on pay of less than Rs 250, interest on the amount advanced in excess of one year's pay may be raised from 4 to 5 per cent

(3) The higher limit of advance permissible in the Cities of Bangalore, Mysore and in Yedatore (viz., 24 months' pay in the case of officials on pay of less than Rs 250 or 18 months' pay in the case of those on pay of Rs 250 to 500) may be limited

to house building only, thus restricting advances for house purchase to 12 months' pay only.

(4) The annual allotment for this advance may be fixed at Rs 2 lakhs.

4. The Financial Secretary has also suggested that the rate of interest on first advances for purchase of motor cars may be raised from 5 to 6 per cent.

5. The Dewan and the Members of Council have agreed to these proposals and they may be graciously sanctioned.

Bangalore,
23rd July 1930.

MEMBER OF COUNCIL.

General and Revenue-Secretariat | File No. | of 192

Serial No.

Re H. B. advances, the Finl. Secty has ordered as follows:—

"Please put up figures under the following heads from 1925-6. year — amount advanced

	To Officers on pay of Rs 250 & above	below Rs 250	Total
25.26.			
26.27			
27.28			
28.29			
29.30.			

The information may kindly be obtained from the Comptr's Office.

Initials

30/6/30

Memo

Forwarded with Compliments to the Comptr & the Supdt of Mysore (H. B. advances Section) for kindly furnishing a Statement giving full information on the Secretary's query.

By order

30/6/30. A. Raghavachar

Signature. for Finl Secretary

Note—Contn. Sheet

WD 066—GPB—80,000—26-7-29

General and Revenue Secretariat | File No. | of 192

Serial No.

Returned with Compliments—

A Statement showing the amounts drawn by Officers on a pay of Rs 250/- & above & below is enclosed herewith.

Detailed information re the amount drawn by the Comml, Electrical, Military & Rly depts. ~~during~~ for 27-28 are not available in this office, but the total debits during those years have been noted.

E. V. Narasimha Rao
for
~~A.O.~~ Comptroller

31/8/30

Note—Contn. Sheet

WD 066—GPB—30,000—26-7-29

Statement showing the amount of House Building Advance actually drawn from the year 1925-6 to 1929-30 (End of March 30) by officers on pay of Rs 250/- & above & below.

No:	Year	Amount drawn by officers on a pay of Rs 250/- and above.	Amount drawn by officers on a pay of less than Rs 250/-.	Amount drawn by officers ~~drawing a pay of Rs 250/- & above~~ & debited to the Education, Electrical, Military and Railway Departments, the details accounts of which are not maintained in this office				Total expenditure of the year	Remarks
				Education.	Electrical	Military	Railway		
1	1925-26	46,910	30,168 12					75,078 12	
2	1926-27	45,870	~~29,962~~ 30,962 3 4					76,832 3 4	
3	1927-28	67,220	1,31,579 6	17,261 10	4,764	5,897		2,26,722	
4	1928-29	78,500	2,29,667 10	32,376 12	30,212	11,276		3,82,032 6	
5	1929-30 (End of March 30)	81,070	1,42,420	13,942	40,488	1,452	25,628	3,05,000	
		3,17,570	5,64,797 15 4	63,580 6	75,464	18,625	25,628	10,65,615 5 4	

Comptroller's Office.
Bangalore - 3-7-1930

C. V. Narayana Reddy
Assistant Comptroller
M. A. D. Secy.

Rajaseevaparayana B. SRINIVASA IYENGAR, Financial Secretary to Government: Sir, I beg to move for a grant of Rs. 3,70,000 under Loans and Advances, for the purposes mentioned in the remarks column of the schedule. The only important item to which I would invite attention is that of the sum of Rs.2 lakhs which has been sanctioned as a loan to the Mysore City Municipal Council for tarring important roads in the City. This is a new scheme, and the loan is proposed to be repaid in a period of 10 years. with interest at 6%

MR. H.C. DASAPPA: Sir, I would reserve my remarks in regard to the ~~first~~ second and the ~~last~~ third items. In regard to the House Building Advance, you want an additional grant of 1,50,000. I do not deny that there is need for this additional grant and much more. But it is desirable in my opinion that Government should decide as to what extent they will go so far as this item of expenditure is concerned. Every year, I am sure, the demands for house building advances would be on the increase, and if the Government were not to have any fixed programme about it, it would be difficult to set any limit for ~~this advance~~ those advances.

Rajaseva parayana B. SRINIVASA IYENGAR, Financial Secy. to Govt: According to the Accounts, the expenditure was 8,90,000. We provided only ~~Rs. 3 lakhs~~ three lakhs in the current year's budget, and a large portion of the sanctioned grants of the last year fell due for payment after the 1st of July. This we did not know when providing for the grant in the Budget

The loan is given at 6% to those who get more than Rs. 250. So far as officers drawing below Rs. 250 is concerned, they are given the first year's advance free of interest, and interest at 4% is charged on the second year's advance.

Mr. President .....

The question is whether the rate of interest is too low.

Rajasabhabhushana Diwan Bahadur SIR EPP. PUTTANNA CHETTY, Kt., C.I.E., It is not too low. This is an element of concession.

MR. H.C. DASAPPA: These house building advances are given in the cities of Bangalore and Mysore Cities only

Rajaseva sakta B. SRINIVASA IYENGAR, Fin. Secy to Govt: It is given throughout the State wherever there is not sufficient housing accommodation. Till recently one year's advance was being granted. Some

two years back, this was extended to two years' advance. It is only after this extension, that there is some increase in the demand under this item.

MR. H.C. DASAPPA: Why should Government servants as such who are a kind of mobile force be given this privilege of loans? I quite understand ~~[illegible]~~ the need for these loans to those people who are stationery.

Rajamantrapravina ~~G.S. BALASUNDARAM, M.L.R~~ K. Matthan. Third ~~Second~~ Member of Council: Even so, it eases the difficulty for houses. If the officer who has put up a house is transferred from that place, that house becomes available for some body else. In most places there is enormous difficulty for housing accommodation for Government officials and if the officials come forward to build houses and take the risks of construction, it is an easy way of solving the question.

MR. H.C. DASAPPA: But there are other means of financing them. It is for better to transact through Co-operative Societies.

Rajamantrapravina K. MATTHAN, Third Member of Council: Wherever there are co-operative societies existing, they do help. What can be done in places where there are no such societies?

MR. H.C. DASAPPA: A majority of this amount perhaps goes towards buildings in the cities of Bangalore and Mysore?

Rajaseva sakta B. SRINIVASA IYENGAR, Financial Secy. to Govt: To a certain extent

MR. H.C. DASAPPA: It is better that the Government should fix some limit to these advances.....

Rajaseva sakta B. SRINIVASA IYENGAR, Fin. Secy. to Govt: In the case of officials, the money comes in automatically without any difficulty, because it is deducted in the pay of the officials concerned. This system has been not only obtaining in the State but all over India for over 50 years so far as I know.

MR. H.C. DASAPPA: I have no objection to the principle itself. But I want that the Government should set a limit beyond which they should not grant these advances. Otherwise, Government money would get locked up.

Rajamantrapravina K. MATTHAN, Third Member of Council: The money comes back in a regular flow.

Rajamantrapravina C.S. BALASUBRAMANIYER, Second Member of Council: It is not at all a question of money being locked up. It is recovered automatically.

Rajaseva sakta B. SRINIVASA IYENGAR, Fin. Secy. to Govt: In fact, there are no remissions at all under this head. This principle has been accepted by giving loans to the Housing Co-operative Societies for

~~They can take advantage of this loan through the Co-operative Societies~~

being lent to non-officials as well. So no special preference is shown to officials. The non-officials can take advantage of it through these societies.....

MR. H.C. DASAPPA: At a higher rate of interest?

Rajasevasakta B. SRINIVASA IYENGAR, Fin. Secy. to Govt: Yes, at 7%.

MR. H.C. DASAPPA: With regard to the grant of two lakhs to the Mysore City, I take this opportunity of expressing our gratitude to Government for having given this loan and helped us to adopt the programme of having tarred roads in the City, which have become a great necessity of late owing to the increased motor traffic. The only point that I wish to say on this question is that we wanted the privilege of funding these instalments and making a contribution at the end. Now, I am told the Government have insisted that every instalment should be given to the hands of Government. If we are allowed to fund it ourselves, we would get a higher rate of interest and we stand to benefit.

Rajasevasakta B. SRINIVASA IYENGAR, Fin. Sec to Government: How?

MR. H.C. DASAPPA: All that you want is

that the amount should be returned in 10 annual instalments at 6 per cent. Supposing we fund these instalments?

Rajaseva sakta B. SRINIVASA IYENGAR, Fin. Secy. to Govt: Can you get more than 6 per cent interest?

MR. B.K. GARUDACHAR: The Apex Bank gives 7 per cent interest, if the period is 10 years.

MR. H.C. DASAPPA: I think there was some correspondence between the Municipality and the Government on this question and the Government said that the payment should be made ~~over directly~~. year after year

MR. B. SRINIVASA IYENGAR, Financial Secy. to Govt: I think it is an equitable solution.

MR. B.L. BYANNA: The Municipal officials are not being allowed to enjoy this privilege. I request that these officials -- officials of the Municipalities and Local Bodies -- be given this privilege.

Rajamantrapravina C.S. BALASUNDARAM IYER, Second Member of Council: As for that, I may inform the House that the Government had brought a Bill. It involved a slight amendment of the Municipal Regulation and Government brought a Bill before the Representative Assembly to make that amendment. The House turned it down. If there is a change of opinion in the matter and if this is viewed in a favourable spirit, we shall bring that matter again before the House.

MR. D.H. CHANDRASEKHARAIYA: The advance must be placed at the disposal of the Municipality.

Rajamantrapravina C.S. BALASUNDARAM IYER, Second Member of Council: That is a different matter. Under the Municipal Regulation, a Municipality is not authorised to make advances. This has got to be amended and if the Assembly is willing to agree to this amendment, we will bring up an amending Bill.

MR. G. GIRIYAJI RAO: Why should it go before the Representative Assembly?

Rajamantrapravina C.S. BALASUNDARAM IYER, Second Member of Council: Because it involves a

a change in the Regulation.

MR. PRESIDENT: We do not want to go against the adverse decision of the Popular House.

Rajamantrapravina C.S. BALASUNDARAM IYER, Second Member of Council: The advance will formally be made by the Municipality.

Dr. D.H. Chamarasekhariaya: That is impossible

Rajamantrapravina K. MATTHAN, Third Member of Council: In any case, the Government would not advance to individuals. Even if it is a loan from the Government, it would be a loan to the Municipality and there must be provision in the law to enable the municipality to advance loans.

MR. SYED ISMAIL: Sir, I have a great objection for the grant ~~for~~ under the head "House Building Advances". In the year 1929-30 the amount was 1,90,000 for this purpose. In 1930-31, the amount rose to 8 lakhs. Now there is a demand for an additional grant. On reason, I have an objection. There are so many people coming forward and asking for Government support for small industries, such as for instance, envelope making, sericulture etc. The Government Officers are getting decent salaries. Why should they get money at a lower rate of interest than others? Instead of advancing large sums for housebuilding purposes to officers getting high salaries, ~~on~~ at a lower rate of interest, ~~they~~ Govt can help small industries which would be helpful to many people. By the housebuilding advance, only one individual is benefitted. But if advances are given to industrial concerns, not only will the particular industry ~~will~~ be established, but it will give employment to a number of people; At present the advance for industrial loans is very limited and people have to wait for months before they could get it. Whereas these GOVERNMENT officials get money for the mere asking. Why should they get money at a low rate of interest? Why not they go to the Bank of Mysore and borrow there?

(Let them be helped)

Let the Government by all means help these Government officials. But let there be a limit up to which they can go. Let them fix the limit at 50,000Rs. for granting advances to poor officials, and divert the rest for the development of industries and commerce in the State, which is one of the most important duties of Government. I have an elaborate scheme of how industries could be developed. Government must help the industries in the State and see that within the next 8 or 10 years, Bangalore becomes a industrial centre like Sholapur, or Ahamedabad. So, instead of granting heavy advances to officers at low interest, I think it could better be utilised for the development of industries in the State.

For these reasons, I have strong objection for giving loans for house-building purposes. As I said above, let there be a limit to it.

[illegible]

[illegible]

MR.PRESIDENT: Are the grants under this head increasing year after year?

MR. B. SRINIVASA IYENGAR, Fin. Secy. to Govt: Yes, for the last three years, i.e. after the liberalisation of the rules. I may just point out that there is no objection to provide adequate funds for industrial ~~xxxxxxxxx~~ loans. For the current year, the amount provided was one lakh of rupees and the actual expenditure has not so far reached 45,000.

MR. SYED ISMAIL: The amount of one lakh is not sufficient. At times, the Director's position will be very awkward.

MR. H. SIDDAIYA: I feel extremely glad to support Mr. Syed Ismail. So far as the agricultural population is concerned, people with properties worth ~~xxxxxx~~ 3,000 to 4,000 cannot earn Rs. 150 to 200 per year. On the other hand, there are Government Officers who receive very decent salaries. Why should Government ~~create~~ provide such facilities as house building advances at a low rate of interest to them? It is most undesirable and unnecessary in my humble opinion. It is the agricultural population that contributes very largely to the State revenues and such people are not helped by the Government. They are surely entitled to such concessions. On the other hand, they are not helped this year as in the previous year. I speak about the land improvement loans. ~~The~~ grants for ~~takavi~~ The land improvement and takavi loans have been reduced this year. The poor agriculturist who contributes very largely to the revenues of the State is ignored and the Government officers who are drawing fat salaries ~~xxxxxx~~ month after month without fail, and who in case of famine get famine allowance, are given this privilege. There is no necessity for Government to give the officers this extraordinary privilege. I feel, instead of giving this encouragement to the officials as Mr. Syed

Ismail has represented, it is highly desirable to give this help if there is any savings left, and extra encouragement to the industrial people or to the agriculturiste.

Rajasabhabhushana K.R. SRINIVASA IYENGAR:

Sir, Permit me to say a few words in this connection. It seems to me that there is a certain amount of misconception as regards the principle involved in the grant of these loans. My view is that these house building advances are given to the officials not solely in their own interests, but in the interests of the public and public service. As has already been explained, these advances are intended to be given only in places where there is difficulty for housing accommodation. We know there are many places in the State where it is so very difficult for the officials to get accomodation, and when they are put to the greatest amount of inconvenience and discomfort, they cannot bestow proper attention to their work ~~with the result that the efficiency of the service~~ and to that extent, ~~the~~ efficiency ~~of~~ is bound to suffer. Therefore, Government considered that it was very necessary in the interests of the efficiency and of the peaceful discharge of the work by the officials that they should be properly accommodated. In places where there is plenty of housing accommodation available, and where they could get houses for a reasonable rent, there is no necessity for the grant. But there are also some other circumstances which have to be considered in the granting of these ~~allowance~~ advances. Sometimes in

a big town, a new extension is formed and the object will be to popularise it as early as possible. Then a certain amount of inducement has got to be shown. This is also one of the grounds on which the officials are given advances for house building in these extensions.

The question may then be asked why not give the same concession to the non-officials as well. My answer to that is that in the case of officials the security for the money is in the hands of the Government. In fact, the advance is deducted automatically from the pay of the official concerned every month, so that the Government run absolutely no risk whatever. Whereas in the case of non-officials, we do not know where the security will be. They will have to give some other property as security and in case of failure to recover the money, the Government will have to go a round about course. The officials will have insurance amount and that is the reason why in their case Government can safely give advances and there is no fear of their losing a pie Also, where the security for any loan is absolutely certain, naturally any money lender would certainly offer money at a reduced rate of interest than he would if the securities were uncertain.

Mr. Ismail just now said that the

the Government were not so liberal so far as the industrial loans were concerned. This is due to the fact that there is a certain amount of uncertainty about the recovery of these loans. If you review the history of these loans, you will find out what the losses to Government were. But can you say the same thing so far as the house building advances are concerned? Not a pie has been lost under this head. The principle and the objects of the Govt. in this respect have got to be understood and if these are understood, I do not think there will be so much criticism. It is very necessary to guard against abuse. So long as these house building advances are given in places where there is difficulty for housing accommodation or in places where it is necessary for Government to show a certain amount of encouragement in order to popularise extensions, I think the Government will be certainly pursuing the right policy in the grant of these advances to the officials.

MR. D.H. CHANDRASEKHARAIYA: With due deference to the hon'ble member who has just now spoken, I beg to say that I do not agree with his arguments in support of the advances to be granted to the officers. In the first place, he ~~xxxx~~ states that the officers do not find convenient residences to live in. I should think that all the officers do not reside in Bangalore. They will have to be moving from place to place and it would then be necessary for them to build houses wherever they go. This is not a feasible proposition.

The second argument is that extensions will have to be built up. No doubt the house-building advances will encourage the Government servants to put up buildings in the extensions. I should think that it is not merely the officers that would be willing to build houses in the extensions. The others also would be equally desirous of doing so.

The third argument is that the Government are sure of recovering the advances from the Government servants. I am not sure if these advances will not be lost in some cases, for instances, in cases of deaths or dismissal of those who had taken the advances.

In giving advances, as Mr. Ismail pointed out, some concession is shown to the Government officials in the rate of interest charged. This concession is denied

to others. If non-officials are prepared to to offer sufficient securities either in the shape of immoveable property or personal securities, it is worthwhile giving them such advances. They must only ~~make~~ provide sufficient safeguards to see that they recover their dues at all costs. So want of security need not be pleaded as a case against the grant of advances to ~~other~~ people other than officials and officers.

In view of these circumstances, I suppose that the policy underlying these advances to officers only is not quite correct, and I support the views advanced by the hon'ble members who spoke against it.

MR. P. SUBRAMACHETTY: Sir, I am not against giving these house building advances to the officers, but I want to question whether the Government are really doing any service to their servants by the grant of such loans. In my experience, with few exceptions, the house-building advances that you are now ~~doing~~ giving to the officials and officers are not at all sufficient ~~xxxxxx~~ for them for putting up their houses and these people have run into debts elsewhere. No doubt, your rate of interest is tempting. On that account, they draw as much as possible from the Government and then begin to build the houses. Before the houses are hardly complete, they will have borrowed heavily from Multanees or other money lenders at a high rate of interest. Therefore I say that you are not at all doing any service to the officials by giving them advances. On the other hand, they will run into debts and suffer heavily on account of the payment of not only a part of their advances, but also heavy interest elsewhere.

Another point I wish to touch upon is this. You have already granted 8 lakhs of rupees. The proposal is that 1,50,000 more should be granted. What is the amount that has been provided for Industries and Commerce? As pointed out by the Director of Industries and Commerce, it is only one lakh. Where is the proportion? For House-building you grant 4 lakhs and for indus-

tries

industries only one lakh. Is there any sense of proportion, I want to know.

One argument was advanced by Mr. K.R. Srinivasa Iyengar, viz., that in the case of advances made to the industrial concerns, there was no security and that Government lost a bit heavily. That shows want of proper discretion on the part of the Department. They must know who should be advanced and who not. Each case must be thoroughly examined and then, advances should be granted. It is not due to the fault of the industrialists or the commercial people that the concerns fail. There are also good and bad people amongst all classes. On that account, we must not say that no advance could be given.

You have only to refer to the records in the Sub Registrar's Office to find out the exact condition of those who have taken advances from Government for house-building purposes.

In view of these circumstances, I request that no house building grants be given to the officials.

LR. PRESIDENT: I am rather inclined with the view ~~the view~~ taken by the non-officials in this matter and we shall certainly look into the rules and see how far we can revise them. I should like some limit to be fixed to the grants for this purpose in the Budget. This is showing a tendency to rise higher and higher. I think it is very necessary to fix a limit to it. Beyond that limit, no advances should be given.

As regards the rate of interest, that also is perpahs too low. It may also be raised.

These two points will be duly considered and we shall pass the necessary orders.

DR. D.S. RAMACHANDRA RAO: May I know whether all the applications for loans for industries come up to one lakh and odd rupees?

Mr.C.S. RANGANATHA RAO SAHIB, Dir. of Ind. and Com: Yes. The applications are for more.

Rajasabhabhushana Diwan Bahadur Sir K.P. PUTTANNA CHETTY: If there is one City more than another that deserves to have good roads, it is Bangalore, and I see that Mysore City has received an advance of two lakhs of rupees and that it is forging ahead and stealing a march over ~~Bangal~~ Bangalore.

MR. P. SUBRAMA CHETTY: We have also applied for a loan of one lakh of rupees.

MR. PRESIDENT: That is a matter for the Municipality.

MR. D.H. CHANDRASEKHARAIYA: In regard to these supplementary demands, I want to ~~know~~ ask one question. If we take all the amounts into consideration, ~~they~~ they comes up to nearly 16 lakhs. According to the revised figures.....

Rajasevasakta B. SRINIVASA IYENGAR, Fin. Secy. to Govt: You cannot add all the figures like that. Some portions relate to revenue budget; some to capital and some to loans and advances. Probably the bulk of these items have been taken into account in framing the ~~figures~~ ~~in the~~ revised estimates.

MR. D.H. CHANDRASEKHARAIYA: May I take it that it will not exceed the expenditure already sanctioned?

Rajasevasakta B. SRINIVASA IYENGAR, Fin. Secy. to Govt: Not likely.

The demand was put to vote and granted.

Proceedings of the Government of His Highness the Maharaja of Mysore.

97 22-30-1.

Order No. Fl. 849-908 Dated 1.8.30

Read.-

G.O.No. Fl.794-853/G.F.237-27-2 dated 28th July 1928 sanctioning certain rules for the grant of advances to Government servants for house building and for purchase of houses.

In supersession of the rules referred to above, the following revised rules regulating the grant of advances for the building or purchase of houses are sanctioned with effect from 1st August 1930.

(1) Advances up to one year's pay are admissible to all officers of Government for building or purchasing houses for their residence in all places in the State where no suitable houses are available or where house rent is exceptionally high, subject to the following conditions:-

(i) ~~The~~ advances will be free of interest in the case of officers on pay less than Rs 250/- per mensem.

(ii) Interest will be charged at 6 per cent per annum and the advance to an officer will be limited to ~~a~~ the maximum of Rs 10,000/- in the case of officers on higher ~~monthly~~ rates of pay.

(iii) In all cases, ~~the~~ advances will be adjusted by monthly deduction of one-quarter pay besides interest on the amount; and the repayment will be completed within four years.

(2) Advances up to two years' pay may be given to officers drawing a pay of less than Rs 250/- residing in the Cities of Bangalore, Mysore or in Yedatore and wishing to build houses in the extensions of the two Cities or in the New Town of Yedatore ~~respectively~~, subject to the following conditions:-

(i) The maximum amount admissible will be limited to Rs 5,000/-

(ii) The excess over one year's pay will carry interest at 5 per cent per annum.

(iii) The entire advance will be repaid within the maximum period of eight years by monthly deduction of one-fourth pay towards principal, besides interest.

(3) Advances up to 18 months' pay may be allowed to officers drawing a pay of Rs 250/- and above but not exceeding Rs 500/-, residing in the Cities of Bangalore and Mysore or in Yedatore and wishing to build houses in the extensions of the 2 Cities or in the New Town of Yedatore. The entire advance will carry interest at 6 per cent per annum and be repayable in six years.

The Comptroller is requested to ~~arrange for the~~ issue of the necessary amendments to the M.C.A.C.

11/8/30

Financial Secretary to Govt.

To

The Comptroller to Govt.
" Heads of Departments.
" Deputy Commissioners of Districts.
" Secretaries to Government.
" Compiler, Mysore Gazette,
PRESS TABLE.

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

Read:—

Government Order No. Fl. 794-853/G. F. 237-27-2 dated 28th July 1928 sanctioning certain rules for the grant of advances to Government servants for house building and for purchase of houses.

ORDER NO: FL: 849-908/9422-30-1

Dated, Bangalore, the 1st August 1930.

In supersession of the rules referred to above, the following revised rules regulating the grant of advances for the building or purchase of houses are sanctioned with effect from 1st August 1930.

(1) Advances up to one year's pay are admissible to all officers of Government for building or purchasing houses for their residence in all places in the State where no suitable houses are available or where house rent is exceptionally high, subject to the following conditions:-

(i) Advances will be free of interest in the case of officers on pay less than Rs. 250/- per mensem.

(ii) Interest will be charged at 6 per cent per annum and the advance to an officer will be limited to the maximum of Rs. 10,000/- in the case of officers on higher rates of pay.

(iii) In all cases, advances will be adjusted by monthly deduction of one-quarter pay besides interest on the amount; and the repayment will be completed within four years.

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(3) Advances up to 18 months' pay may be allowed to officers drawing a pay of Rs250/- and above but not exceeding Rs 500 per mensem, residing in the Cities of Bangalore and Mysore or in Yedatore and wishing to build houses in the extensions of the two Cities or in the New Town of Yedatore. The entire advance will carry interest at 6 per cent per annum and be repayable in six years.

The Comptroller is requested to issue the necessary amendments to the Mysore Civil Account Code.

For Financial Secretary to Government.

To

The Comptroller to Government.
" Heads of Departments.
" Deputy Commissioners of Districts.
" Secretaries to Government.
" Compiler, Mysore Gazette.
" Press Table.

Government of his highness the Maharaja of Mysore.

FINANCIAL DEPARTMENT.

G. O. No. Fl. 849-908—G. F. 22-30-1, dated 1st August 1930.

Advances.

Sanctions revised rules regulating the grant of —— for the building or purchase of houses.

READ—

Government Order No. Fl. 704-853—G. F. 237-27-2, dated 28th July 1928, sanctioning certain rules for the grant of advance to Government servants for house building and for purchase of houses.

ORDER NO. FL. 849-908—G. F. 22-30-1, DATED 1ST AUGUST 1930.

In supersession of the rules referred to above, the following revised rules regulating the grant of advances for the building or purchase of houses are sanctioned with effect from 1st August 1930:—

(1) Advances up to one year's pay are admissible to all Officers of Government for building or purchasing houses for their residence in all places in the State where no suitable houses are available or where house rent is exceptionally high, subject to the following conditions:—

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The Comptroller is requested to issue the necessary amendments to the Mysore Civil Account Code.

B. SRINIVASA IYENGAR,
Secretary to Government,
Financial Department.

To—The Comptroller to Government.
The Heads of Departments.
The Deputy Commissioners of Districts.
The Secretaries to Government.
The Compiler, *Mysore Gazette.*
PRESS TABLE.

Exd—C. K.

W D 269—GPB—540—12-8-30